

STATE OF ILLINOIS

Action Plan Amendment No.4

July 28, 2010 (Revised)

Supplemental CDBG Disaster Recovery 1800 ("Ike") Funding

From the Supplemental Appropriations Act

Public Law 110-329, 2008

Federal Register FR-5337-N-01

**GOVERNOR PAT QUINN
STATE OF ILLINOIS**



ILLINOIS CDBG "IKE" ACTION PLAN AMENDMENT (NO.4)

Through this Community Development Block Grant (CDBG) Disaster Recovery (DR) 1800 ("Ike") proposed plan amendment, Illinois is providing for greater flexibility in awarding "Ike" funds through the methods outlined below. This request reflects Illinois' commitment to utilize and award "Ike" funding in a manner that best supports the needs of Illinois residents and communities, and that can be assisted with CDBG Disaster "Ike" program funding.

To further support the needs of Illinois communities within the *Federally-Designated Areas Eligible for CDBG "Ike" Assistance (Exhibit A)* the State of Illinois is proposing to make revisions described below to Illinois' CDBG "Ike" Disaster Recovery Action Plan- Community Stabilization Program (CSP) component.

Public Comment Period

In accordance with CDBG requirements, DCEO has posted draft changes to the Illinois CDBG Disaster Recovery Action Plan in order to provide opportunity for public comment. The proposed Amended Plan for the Community Stabilization Program is available on DCEO's website, at http://www.illinoisbiz.biz/dceo/Bureaus/Community_Development/CDBG+Disaster+Recovery+Programs/.

Interested parties should feel free to submit comments in writing or via email to DCEO. Comments may be directed to: Maureen Palmer, Deputy Director, Office of Community Development, DCEO, 100 West Randolph, Suite 3-400, Chicago, IL 60601, or emailed to maureen.palmer@illinois.gov, with "Public Comment to Ike Plan Amendment No.4" in the email subject line.

Preface to the Proposed "Ike"- Community Stabilization Program (CSP) Changes

Illinois recognizes that the needs within its communities are both varied and unique. With an increased understanding of the needs of communities eligible for Illinois' Ike Disaster Recovery program funding (see Exhibit A), Illinois is proposing to broaden the "Ike" Community Stabilization Program (CSP) component, by expanding the types of projects eligible for this funding consideration. Projects prioritized for CSP funding consideration will be designed to achieve benefits that are more comprehensive, varied, or uniquely-tailored than may be feasible under other of the state's Ike program components-- many of which are developed to support a specific project activity or range of activities, such as the Ike buyouts, affordable rental, or business stimulus programs.

Affected communities can receive assistance under the Ike CSP program to support their efforts to revive their local economy through commercial development and/or preparation; increase housing through residential development; or to support public infrastructure enhancements, often in relation to economic development, revitalization or housing. Activities that can support economic revitalization or development; housing; or public infrastructure projects (such as planning, demolition, clearance, etc) or a combination of these activities will also be eligible for consideration under the CSP component. The Ike-CSP program component amendment is detailed following:

Illinois CDBG "Ike" Action Plan Amendment (No.4)

4. "Ike" Community Stabilization Program Component-- Expanding the Types of Projects and/ or Activities to be Considered for "Ike" Program Funding

The **previous** parameters for the Ike Community Stabilization Program were as follows:

Illinois' Ike Community Stabilization Program

The CDBG Disaster Recovery 1800 ("Ike") program will target funding for comprehensive community solutions in federal disaster-declared counties to address a range of housing needs resulting from conditions or circumstances posing severe hardship to communities, including by example, local flood and storm disaster-related housing impacts, local foreclosure impacts and significant declines in local economic conditions. Program activities can include: acquisition, rehabilitation, demolition, redevelopment, new construction and homebuyer assistance for residential property resale. In communities eligible for CDBG-DR (1800) funding; i.e., those that also have been physically damaged by storms, flooding, or other natural disaster in 2008, the ongoing financial problems being experienced by homeowners makes this impact doubly devastating.

1. Allocation for Activity: \$20,000,000
2. Eligible Applicants:
 - i. Local Governments in 2008 disaster-affected communities
 - ii. Non Profits on behalf of one or more eligible local communities
- 3a. Threshold Criteria:
 - i. Project falls in a 51% LMI population community, or
 - ii. Urgent need is demonstrated, or
 - iii. Project is targeted in slum/blight area
- 3b. Criteria for Selection:
 - i. Demonstrated capability and experience of the applicant
 - ii. Level of program subsidy cost per unit
 - iii. Proportion of units targeted for low- and moderate income/very low to moderate income households, disabled households, and/or elderly individual household
 - iv. Time frame for completion of housing units
 - v. Can only use 120% AMI for Homebuyer Assistance
4. Grant Size Limits: \$5,000,000 - \$15,000,000 per grant award; \$100,000/unit subsidy cap for new construction units; \$60,000/ unit subsidy cap for rehabilitation of existing housing units.
5. Eligibility: 105(a)(1),(4), (7), and (24)
6. National Objective: Must meet either: LMI (51%), urgent need, or slum/blight national objective.

Illinois' "Ike" Program Plan Amendment (No.4) will expand the range of eligible projects under the Ike-Community Stabilization Program component in the following manner:

1. Allocation for Activity: \$20,000,000.
2. Eligible Applicants:
 - i. Local governments (including cities, counties, etc.) in Ike-eligible communities,
 - ii. Two or more Ike-eligible local communities working in support of a single or collaborative project,
 - iii. Not-for-profit organizations on behalf of one or more Ike-eligible local communities,
 - iv. Local communities on behalf of private companies, currently located or seeking to locate in an "Ike"-eligible community that do not meet Ike-Small or Large business program criteria, when the area is slum/ blight, or the area's residents are 51% low-to-moderate income, or the project addresses an urgent need.
- 3a. Threshold Criteria/ National Objective:
 - i. For economic revitalization/ development-focused activities, the area is a slum/ blight, will support a minimum of 51% low-to-moderate income residents in the area, will support a minimum of 51% low-to-moderate income employees at a local company, or the project addresses an urgent need;
 - ii. For housing-focused activities, a significant portion of the housing units are targeted for low and very-low-to-moderate income households, disabled households, or elderly households; or the area is a slum/ blight; or the project addresses an urgent need.
 - iii. For public infrastructure-focused activities, the project will support a minimum of 51% low-to-moderate income residents, the area is a slum/ blight, or the project addresses an urgent need.
- 3b. Selection Criteria:
 - i. Project oversight/ management-- the demonstrated capability, capacity and experience of the applicant;
 - ii. Project benefit(s)-- The extent and nature of the benefit(s) to the local community(s) that will result from the project (economic, housing and/ or public infrastructure/facility benefits will be achieved);
 - iii. Project impact:
 - a. Projects supporting multiple communities are prioritized, or
 - b. Projects achieving significant impact within one or more communities.
 - iv. External leverage/ subsidy:
 - a. For non-housing projects, the extent of additional leverage will be factored,
 - b. For housing projects, the level of program subsidy cost per unit will be factored.
4. Grant Size Limits: \$1,000,000 - \$15,000,000 per individual grant award.
5. Eligibility: HCDA Sec.105(a)- all provisions.

Exhibit A

Federally-Designated Areas Eligible for CDBG "Ike" Assistance

The following Illinois counties were declared eligible for federal assistance in the three 2008 Disaster Declarations:

Illinois Counties Declared Under FEMA-1800-DR

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|-------------------|-----------------------|
| 1. Bureau County | 9. Kendall County |
| 2. Cass County | 10. LaSalle County |
| 3. Cook County | 11. Macoupin County |
| 4. DeKalb County | 12. Montgomery County |
| 5. DuPage County | 13. Peoria County |
| 6. Greene County* | 14. Scott County* |
| 7. Grundy County | 15. Will County |
| 8. Kane County | 16. Woodford County |

Illinois Counties Declared Under FEMA-1771-DR

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|----------------------|------------------------|
| 1. Adams County | 14. Lake County |
| 2. Calhoun County | 15. Lawrence County |
| 3. Clark County | 16. Madison County |
| 4. Coles County | 17. Mercer County |
| 5. Crawford County | 18. Monroe County |
| 6. Cumberland County | 19. Pike County |
| 7. Douglas County | 20. Randolph County |
| 8. Edgar County | 21. Rock Island County |
| 9. Greene County* | 22. St. Clair County |
| 10. Hancock County | 23. Scott County* |
| 11. Henderson County | 24. Whiteside County |
| 12. Jasper County | 25. Winnebago County |
| 13. Jersey County | |

Illinois Counties Declared Under FEMA-1747-DR

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| 1. Iroquois County | 2. Livingston County |
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* Greene and Scott counties were declared under both the FEMA 1771 and 1800 declarations